



# State of Utah

*School and Institutional*  
TRUST LANDS ADMINISTRATION

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Michael O. Leavitt  
Governor

David T. Terry  
Director

January 7, 2000

Mr. Tom Newman, Sr. Geologist  
Holnam Inc.  
GeoTechnical Services Dept.  
4629 N. Overland Trail, Bldg. A  
P.O. Box 1468  
LaPorte, CO 80535

Re.: Notice to Conduct Exploration-Poverty Point, UT - Year 2000; Mineral lease ML 31160-LS

Dear Mr. Newman,

The Utah Division of Oil, Gas & Mining (DOGM) recently copied me your 12-15-99 Notice to conduct exploration upon the trust lands within limestone mineral lease No. ML 31160.

Please note ARTICLE XII of the terms and conditions of the lease.

"Not less than 60 days before commencement of exploration drilling or mining operations, Lessee shall give notice hereof to the School and Institutional Trust Lands Administration.... Lessee shall not proceed with the execution of any such plan of operations without first receiving the written approval of Lessor."

Also, ARTICLE XIV of the terms and conditions of the lease.

"In the event Lessee conducts core-drilling operations within the leasehold,...Lessor shall have a right of inspection of core samples and any analysis made thereof and any assay...."

The Trust Lands Administration hereby approves the 12-15-99 Notice of Intent conditional upon Lessee submitting to the School and Institutional Trust Lands Administration a completed copy of any analysis and any assay made of the lands pursuant to the proposed drilling operations at the conclusion of such operations. Lessee may request that such information, analysis and assay be held confidential by the School and Institutional Trust Lands Administration. Please contact me if you have any questions in this matter.

Sincerely,

John T. Blake  
Mineral Resources Specialist

cc: Tom Munson